

Immigration and the Canadian  
labour market

3 1761 11630728 1

CAI  
4L16  
-1987  
B153+







Backgrounder

CAI  
YL 16  
- 1987  
B153

# Immigration and The Canadian Labour Market

*Kevin B. Kerr*

Economics Division  
Research Branch

September 1986



Library of  
Parliament  
Bibliothèque  
du Parlement

## Research Branch

The Research Branch of the Library of Parliament works exclusively for Parliament, conducting research and providing information for Committees and Members of the Senate and the House of Commons. This service is extended without partisan bias in such forms as Reports, Background Papers and Issue Reviews. Research Officers in the Branch are also available for personal consultations in their own fields of expertise.

CE DOCUMENT EST AUSSI  
PUBLIÉ EN FRANÇAIS



TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
IMMIGRATION TRENDS AND POLICY OBJECTIVES.....	1
A. Social Immigration.....	3
B. Humanitarian Immigration.....	3
C. Economic Immigration.....	4
THE REVISED SELECTION CRITERIA.....	6
IMMIGRATION AND LABOUR FORCE GROWTH AND COMPOSITION.....	8
IMMIGRATION AND UNEMPLOYMENT.....	12
CONCLUSION.....	21
BIBLIOGRAPHY.....	23

APPENDICES

© Minister of Supply and Services Canada 1987

Cat. No. YM32-2/153E

ISBN 0-660-12443-2



CANADA

LIBRARY OF PARLIAMENT  
BIBLIOTHÈQUE DU PARLEMENT

**IMMIGRATION AND THE CANADIAN LABOUR MARKET**

**INTRODUCTION**

Throughout most of the post-war period, the flow of immigrants to Canada has been influenced greatly by our ability to facilitate their absorption by the labour market. This aspect of immigration policy has become increasingly important in recent years, as witnessed by the introduction of regulatory changes which link immigration levels more closely to the level of economic activity. The impact of these changes has been a substantial reduction in the relative importance and contribution of "economic immigration", that is, immigration of those applicants who are not in need of assistance to establish themselves.

The purpose of this paper is to examine the impact of immigration on the Canadian labour market, especially its effect on unemployment. The paper is composed of four parts. The first part reviews recent immigration trends and policy objectives. The implications of, and changes in, the revised selection criteria introduced in the beginning of this year are reviewed in part two of the paper. The third part examines immigration's contribution to the growth and composition of Canada's labour supply. The last part of the paper discusses the impact of immigration on unemployment.

**IMMIGRATION TRENDS AND POLICY OBJECTIVES**

Without question, immigration policy in this country has been influenced increasingly by what has come to be known as our "absorptive capacity" for immigrants. Speaking on behalf of his government, Mackenzie King initially expressed this approach in 1947 as follows: "The policy of



the government is to foster the growth of the population of Canada by the encouragement of immigration. The government will seek by legislation, regulation and vigorous administration to ensure the careful selection and permanent settlement of such numbers of immigrants as can advantageously be absorbed in our national economy".(1)

Following a major overview of immigration policy in 1966, a number of regulatory changes were adopted so as to link more closely the flow of immigrants to Canada and our ability to absorb them. For instance, in 1967 a "point system" was introduced to assess the admissibility of certain classes of immigrants. In 1974, this regulation was further tightened with the introduction of mandatory selection criteria. Under the new regulation, points were required for specific selection criteria (e.g., applicants were required to have a specific job offer or demonstrate that a shortage existed in their intended occupation) in order to gain admission to Canada. For the first time, immigration policies became integrated closely with domestic labour market policies.

Although there are ten policy objectives outlined in Canada's Immigration Act, three intentions underlie the basic thrust of immigration policy today: to facilitate family reunification, to honour Canada's international obligations to Convention refugees and help others in need of special humanitarian assistance, and to foster the development of a prosperous economy.(2) These represent our fundamental commitment to three main categories of immigrants: the family class, the refugee and designated classes and the independent class.

---

(1) Canada, House of Commons, Hansard, Thursday, May 1, 1947, p. 2644.

(2) S.C. 1976, c.52, s.3



### A. Social Immigration

A principal aspect of Canada's social immigration policy is to reunite Canadian citizens and permanent residents with their close relatives from abroad.<sup>(3)</sup> Family class applicants are not assessed according to selection criteria and their applications receive the highest processing priority (along with those of Convention refugees). Hence, the annual intake of family class immigrants is independent of economic conditions and depends solely on the number of eligible individuals residing in Canada who agree to sponsor and support family class members. It is apparent from the data contained in Table 1 that family class immigration has grown to be a prominent contributor to our annual immigration intake, particularly since 1978.

### B. Humanitarian Immigration

Although Canada has a long tradition of accepting immigrants for humanitarian reasons, only recently has this aspect of our immigration policy been stated clearly: "to fulfill Canada's international legal obligations with respect to refugees and to uphold its humanitarian tradition with respect to the displaced and the persecuted".<sup>(4)</sup> This policy objective is executed through a variety of programs which deal with specific groups of people. Convention refugees seeking resettlement in this country are assessed against selection criteria to establish only their ability to adapt to Canada. They do not receive a point rating. In addition to refugees, there are many persecuted and displaced individuals

---

(3) Family class immigrants include spouses; fiancé(e)s; unmarried children under the age of 21; parents or grandparents over the age of 60 (as well as parents or grandparents of any age who are widowed or incapable of working); and unmarried orphaned brothers, sisters, nephews, nieces, or grandchildren under 18 years of age.

(4) S.C. 1976, c.52, s.3(g).



who do not qualify technically as Convention refugees. These individuals are usually admitted to Canada under relaxed selection criteria.

Despite a relatively low annual intake prior to the early 1970s, humanitarian immigration to Canada has grown significantly, especially since 1979. In fact, between 1979 and 1984, humanitarian immigration accounted for almost 20% of total immigration, up 14.7 percentage points over that for the period 1973-1978.

### C. Economic Immigration

As mentioned earlier, in the context of this paper, economic immigration refers to immigration by principal applicants in the independent class who are self-sufficient and can establish themselves and their dependents without assistance.<sup>(5)</sup> All immigrants in the independent class, save retirees, are evaluated against selection criteria and must currently obtain 70 out of a possible 100 points to be admitted to Canada (assisted relatives require only 60 points provided their application is accompanied by an undertaking of assistance).<sup>(6)</sup>

Prior to the mid-1970s, economic immigration usually contributed more than half of the total inflow in any given year. However, with the advent of mandatory selection criteria in 1974 and worsening labour market conditions, economic immigration to Canada has fallen dramatically, especially following the 1981-1982 recession. Beginning in May 1982, principal applicants in the independent category (excluding entrepreneurs, self-employed and retirees) were admitted to Canada only

---

(5) This includes assisted relatives, retirees, entrepreneurs, self-employed and selected workers.

(6) Selection criteria include education, vocational preparation and training, job experience, intended occupation, arranged employment, age, knowledge of French and/or English, personal suitability and levels control.



**Table 1**  
**Immigration by Policy Objective and Category**

	Social (Family Class)	% of Total	Humanitarian(1) (Refugee and Designated Classes)	% of Total	Economic(2) (Independent and Assisted Relatives)	% of Total	Total
1970	32,263	21.8	-	-	115,450 (35,151)	78.2	147,713
1971	33,450	27.4	-	-	88,450 (29,328)	72.6	121,900
1972	33,019	27.1	5,180	4.2	83,807 (30,692)	68.7	122,006
1973	41,677	22.6	2,359	1.3	140,164 (44,278)	76.1	184,200
1974	54,232	24.8	1,666	0.1	162,567 (53,161)	75.1	218,465
1975	64,124	34.1	5,566	2.9	118,191 (45,727)	63.0	187,881
1976	60,830	40.7	11,751	7.9	76,848 (32,528)	51.4	149,429
1977	51,355	44.7	7,300	6.3	56,259 (26,114)	49.0	114,914
1978	45,540	52.8	4,255	5.0	36,518 (17,199)	42.2	86,313
1979	46,763	41.7	27,879 ( 264)	24.9	37,454 (11,474)	33.4	112,096
1980	51,027	35.7	40,348 ( 952)	28.2	51,742 (13,531)	36.1	143,117
1981	51,017	39.7	14,979 ( 810)	11.6	62,622 (17,590)	48.7	128,618
1982	49,980	41.3	16,925 (1,791)	14.0	54,242 (11,948)	44.7	121,147
1983	48,698	54.6	13,967 (4,100)	15.7	26,492 ( 4,997)	29.7	89,157
1984	43,814	49.7	15,342 (5,625)	17.4	29,083 ( 8,167)	32.9	88,239

(1) Numbers in parenthesis refer to Convention refugees.

(2) Numbers in parenthesis refer to assisted relatives.

Source: Canada, Employment and Immigration, Annual Report to Parliament on Immigration Levels, 1981, November 1980, p. 7.; Canada, Employment and Immigration, Immigration Levels, 1984-1986: Federal Planning Considerations, April 1983, p. 6-7; Canada, Employment and Immigration, Background Paper on Future Immigration Levels, November 1984, p. 12.; and Canada, Employment and Immigration, Annual Report to Parliament on Future Immigration Levels, 1985, p. 19.



if they had pre-arranged employment. As a result, the number of economic immigrants entering Canada in 1983 plummeted, down 51% from the previous year.

The impact of the above mentioned restriction on independent immigrants raised concerns among many Canadians. In fact, in conjunction with the levels planning process required under section 7 of the Immigration Act, the Minister of Employment and Immigration initiated a review of this matter near the end of 1984. The results of this review are discussed in the next section of this paper.

## THE REVISED SELECTION CRITERIA

Following the release of a special report to Parliament, the government decided that steps should be taken to rectify the existing imbalance between economic and non-economic immigration to this country.<sup>(7)</sup> As indicated earlier, this imbalance became more pronounced following the restriction imposed on selected workers in May 1982 in response to the recession. To attain a better balance between economic and non-economic immigration, the government introduced revised selection criteria in January 1986.

These new criteria incorporate a number of significant changes.<sup>(8)</sup> The factor "occupation" is now worth 10 units of assessment instead of 15. It is important to note, however, that only those independent applicants who intend to enter an "open" occupation may be admitted; an automatic processing ban is applied to those intending to enter "closed" occupations. Open occupations are determined primarily

---

(7) Employment and Immigration Canada, The Revised Selection Criteria for Independent Immigrants, Ottawa, 1985, p. 1-2.

(8) An outline of the differences between the revised selection criteria and the criteria used previously can be found in Appendix A.



by occupational projections.<sup>(9)</sup> Only those occupations which are expected to grow over the medium-term, with a surplus rate of less than 10% are deemed open. The surplus rate is defined as the ratio of the estimated number of unemployed individuals in a given occupational group to the estimated number of persons employed in the same occupational group. Open occupations, of which at present there are approximately 100, are reviewed quarterly.<sup>(10)</sup>

Under the revised criteria, assisted relatives are now eligible to receive points for the factor "arranged employment". Independent immigrants assessed according to selection criteria are no longer required to have arranged employment in order to gain admission to Canada. In other words, the restriction imposed on selected workers on May 1, 1982 no longer exists.

Units of assessment for the factor "location" have been eliminated under the revised selection criteria, and points for age have been broadened. Assessment units for fluency in both official languages have increased from 10 to 15 points; while those for the factor "relative" have been dropped altogether.

---

(9) The following occupations are excluded: occupations for which there are citizenship or residency requirements (e.g., government administrators, judges, magistrates, etc.); occupations where staffing is often accomplished through promotion (e.g., foremen/women, supervisory positions, etc.); four-digit occupational groups which do not contain at least one seven-digit occupation requiring at least 11 years of general education and a minimum of two years of specific vocational preparation; and other occupational groups which are affected by special labour market circumstances or arrangements (e.g., university teachers, physicians, pharmacists, etc.). See: Employment and Immigration Canada, "Determining the Occupational Composition of the Selected Immigrant Worker Category, March 1986, p. 2.

(10) A complete list of these can be found in Appendix B.

Under the new criteria, for the first time units of assessment are available for a factor called "levels control". The purpose of this factor is to help narrow the difference between announced immigration levels and actual intake. The former has exceeded the latter in recent years. The value of this factor is expected to change from time to time; it is currently set at five points.

The kinship bonus, available only to assisted relatives, has declined from 15-30 (depending upon the closeness of the relationship) to 10. For assisted relatives to receive this bonus, an undertaking of assistance must exist.

Finally, to be processed for landing, applicants assessed under the new selection criteria must accumulate a total of at least 70 points (the maximum assessment which can be awarded is 100 points). Hence, the passing grade under the revised selection criteria is 20 points higher than under the previous system.

In summary, the new selection criteria appear to be more accommodating than the old, at least for those who intend to enter an "open" occupation. However, the higher passing grade now required could well negate the positive effect of these changes. Hence, while the intended purpose of the revised selection criteria is to rectify the imbalance between economic and non-economic immigration, the net effect of these changes remains highly uncertain. Further, although the government expects the level of economic immigration in 1986 to increase dramatically over the expected level in 1985, the actual increase will likely be more modest.(11)

## IMMIGRATION AND LABOUR FORCE GROWTH AND COMPOSITION

Labour force growth occurs in response to two factors: growth in source population (i.e., the number of individuals 15 years of

---

(11) Canada, Employment and Immigration, Annual Report to Parliament on Future Immigration Levels, Ottawa, November 1984, p. 3 and 1985, p. 2.



age and over) and growth in the participation rate (i.e., the proportion of the source population in the labour force). Although immigration has contributed significantly to both of these factors over the years, its recent impact on labour force growth has waned. Based on the information contained in Table 2, net immigration's contribution (excluding its impact on labour force participation) to labour force growth has declined from roughly 47.6% between 1951-1956 to approximately 14.3% between 1979-1983. While Table 2 does not contain specific information on immigration's impact on the participation rate, this factor has become less of a contributor to labour force growth over this period, as witnessed by the data contained in Table 3. Between 1973-1983, the participation rate of immigrants dropped from 63.6% to 55.4%, well below that for the nation as a whole.<sup>(12)</sup>

Immigration's diminished impact on labour force growth in recent years undoubtedly reflects, in part, less emphasis on the admission of immigrants in the independent class. In the early 1970s, independent immigrants accounted for approximately three-quarters of total immigration to Canada; by the early part of this decade, this class of immigrant accounted for less than one-third. Since independent immigrants typically display a participation rate roughly twice that of other immigrant classes, a reduction in their numbers will undoubtedly have a negative impact on labour force growth.

Canada has relied heavily on, and benefited greatly from, foreign sources to supply our skilled labour needs. Throughout the period 1951-1971, over 40% of all immigrants destined for the labour force intended to enter professional, technical or skilled occupations. During this period, the proportion of immigrants intending to enter professional and technical occupations increased sharply from just under 4% in 1951 to 27% in 1971. Conversely, the proportion of immigrants intending to enter

---

(12) Canada, Employment and Immigration, Annual Report to Parliament on Immigration Levels, 1981, p. 14; and Employment and Immigration Canada, Immigration Statistics, 1983, 1985, p. 40.

---

**Table 2**  
**Sources of Labour Force Growth**  
**(average annual per cent rates of growth)**

	1951-1956	1956-1966	1966-1973	1973-1979	1979-1983
Source Population	2.1	2.2	2.6	2.3	1.7
- Net Immigration	1.0	0.5	0.4	0.4	0.3
- Domestic	1.1	1.7	2.2	1.9	1.4
Participation Rate	-0.1	0.4	0.7	1.0	0.3
Total Labour Force	2.1	2.6	3.3	3.3	2.1

Source: Royal Commission on the Economic Union and Development Prospects for Canada, Report, Volume 2, Table 7-5, p. 12; and Employment and Immigration Canada, Labour Market Development in the 1980s, July 1981, p. 21.

---



---

Table 3  
Domestic and Immigrant  
Participation Rates

	National	Immigrants
1955	50.2	67.2
1960	53.8	65.8
1965	57.3	67.5
1970	57.8	66.7
1975	61.1	59.8
1980	64.1	61.7
1983	64.4	55.4

Source: M.C. Urquhart and K. Buckley, Historical Statistics of Canada, Statistics Canada, 1983, p. D.124-133; Statistics Canada, Historical Labour Force Statistics, 1985, p. 243; Employment and Immigration Canada, Annual Report to Parliament on Immigration Levels, 1981, p. 16; and Employment and Immigration Canada, Immigration Statistics, 1980 and 1983.

---

unskilled occupations dropped from 43% to 14% over the same period.<sup>(13)</sup> Today, the occupational distribution of immigrants destined to enter the labour force continues to reflect this trend. As illustrated in Table 4, emphasis on the admission of immigrants in managerial occupations as well as entrepreneurs has continued. In 1983, this occupational group accounted for 6.7% of all immigrants destined to the labour force, up almost one percentage point from 10 years earlier. There appears, however, to be a slight shift away from immigrants intending to enter professional and technical occupations as well as occupations in manufacturing and construction. In 1973, these occupational groups accounted for roughly half of the total number of immigrants destined for the labour force. By 1983, they accounted for only 34.5% of that group. Unfortunately, more recent data on the occupational distribution of immigrants are not yet available. Hence, it is uncertain whether these changes reflect a trend or, as is more likely, a temporary shift caused by the restriction placed on most independent immigrants during the 1981-1982 recession. As mentioned earlier, this restriction is no longer applicable. While it is too early to establish the impact of these new criteria on labour force growth and composition, major changes are not expected, at least in the short-term.

## IMMIGRATION AND UNEMPLOYMENT

Immigration's impact on unemployment has been the subject of considerable debate in this country for many years. Although immigration unquestionably exerts an influence, the extent, direction and duration of this is less certain. For instance, we know that immigration raises the level of demand for goods and services (both public and private) and,

---

(13) Louis Parai, The Economic Impact of Immigration, prepared for the Department of Manpower and Immigration, 1974, Table A.7, p. 100.



**Table 4**  
**Occupational Distribution of Immigrants**  
**Destined to the Labour Force,**  
**1973 and 1983**

	1973		1983	
	No.	% of total	No.	% of total
Managerial & Entrepreneurs	5,464	5.9	2,503	6.7
Professional & Technical	19,112	20.7	5,965	16.1
Clerical	13,422	14.6	3,540	9.5
Service & Recreation	11,917	12.9	5,068	13.7
Sales	3,657	4.0	1,499	4.0
Farming	3,068	3.3	1,419	3.8
Logging	147	.2	22	.1
Fishing, Hunting	64	-	50	.1
Mining & Quarrying	173	.2	46	.1
Manufacturing & Construction	26,396	28.6	6,833	18.4
Transportation	1,261	1.4	618	1.7
All others (1)	7,547	8.2	9,546	25.7
Total Workers	92,228	100.0	37,109	100.0

(1) This group's share of total workers destined to the labour force is much higher in 1983 than in 1973 due, in part, to a reclassification of occupational categories in 1981.

Source: Canada, Employment and Immigration, Annual Report to Parliament on Immigration Levels, Ottawa, 1978, p. 18 and Canada, Employment and Immigration, Background Paper on Future Immigration Levels, November 1984, p. 19.

possibly, physical capital.<sup>(14)</sup> In order to satisfy this increase in aggregate demand, producers increase output. Provided that the economy is not operating at a high level of excess capacity, additional workers, in conjunction with other factors of production, are required in order to increase aggregate supply. While, in this case, immigration unambiguously contributes to an increase in employment, its impact on the unemployment rate is uncertain. If immigration causes the demand for labour to increase proportionately more than the labour supply, (and if wages do not rise to discourage new hiring) then the unemployment rate will fall (i.e., the growth in employment exceeds growth in the labour force). If, on the other hand, the supply of labour increases proportionately more than labour demand, then the unemployment rate will likely rise. This situation is not permanent however, since competitive forces should exert downward pressure on real wages and thereby reduce the number of unemployed individuals in the labour market. The speed at which this adjustment occurs depends on a number of factors, particularly on the degree of responsiveness of labour demand and of supply to real wage changes.

Immigration can also influence the unemployment rate by filling job vacancies resulting from inadequate domestic supplies. Once again, however, this problem is temporary and reflects simply the fact that some occupations are underpriced. In the absence of immigration, employers attempt to fill chronic vacancies by offering higher wages. The effect of this is twofold. First, more individuals are attracted into these occupations in pursuit of higher earnings. Second, in response to the higher relative cost, employers will substitute away from more expensive skills in favour of less costly alternatives. Both responses act to eliminate a shortage over the long-run. Nevertheless, because the adjustment process described above can be long and costly, immigration is viewed as beneficial. Hence, in the case of skill shortages, immigration

---

(14) In 1983, for example, entrepreneurs and self-employed immigrants and all other immigrants brought to Canada an estimated \$821 million and \$826 million respectively (see: Employment and Immigration Canada, Background Paper on Future Immigration Levels, Ottawa, November 1984, p. 28.



causes employment to rise and the unemployment rate to fall (this is particularly true for immigrants with arranged employment). Moreover, if additional employment is required to complement these newly filled positions, a further reduction in the unemployment rate should occur.

Finally, immigration can affect the unemployment rate by changing the number of frictionally unemployed in the labour market. Not unlike first-time domestic labour force entrants or re-entrants, most immigrants entering the labour force experience at least some of this type of unemployment. Frictional unemployment exists in any properly functioning labour market, since it pertains to the worker/job matching process. It is sometimes referred to as "search unemployment". Immigrants entering the labour market require time to gather information on available jobs (including information on wages) before deciding where and for whom they will work. The length of time required to find employment depends, to a large extent, on immigrants' skills, language abilities, and work-related experience in conjunction with labour market conditions. The latter is undoubtedly a very important determinant, since many immigrants have found employment relatively soon during favourable economic conditions, even without proficiency in one of Canada's official languages.<sup>(15)</sup>

While it is extremely difficult to measure any of the above mentioned effects, since elements of all are likely present, a number of studies have been conducted which attempt to estimate the aggregate impact of Canadian immigration on the unemployment rate. Even though these studies use models which vary somewhat in terms of structure and underlying assumptions, all generate the conclusion that immigration causes the unemployment rate to rise, at least in the short-term. Table 5 presents a summary of simulation results using three Canadian macroeconomic models assuming three different levels of net immigration over the period

---

(15) T.J. Samuel, "Economic Adaptation of Refugees in Canada: Experience of a Quarter Century", International Migration, Vol. XXII, No. 1, 1984, p. 46.

---

**Table 5**  
**Immigration and Unemployment:**  
**Summary Results of Three Canadian Macroeconomic Models<sup>(1)</sup>**

	Zero	Level of Net Immigration 100,000	200,000
Average Unemployment Rate, 1961-1974			
CANDIDE	4.91%	6.08%	7.39%
TRACE	3.54	4.85	6.59
RDX2	5.22	7.22	9.27

- (1) CANDIDE is used by the Economic Council of Canada, TRACE is used by the Canadian Institute for Public Policy and RDX2 is used by the Bank of Canada. Although these models are essentially the same, some differences do exist. For example, in the TRACE model employment is proportional to output, but does not depend on the level of capital stock, as in the case of the CANDIDE and RDX2 models. In the CANDIDE model, increases in the primary labour force ratio and unemployment rate induced by immigration reduces consumption. This effect is absent in the TRACE and RDX2 models. In the RDX2 model labour supply is determined by applying an aggregate participation rate to the source population. The aggregate participation rate depends, in part, on immigration, a feature not present in the other two models.

Source: Gordon Davies, "Macroeconomic Effects of Immigration: Evidence from CANDIDE, TRACE and RDX2", Canadian Public Policy, III:3, 1977, p. 303.

---



1961-1974. In all three models, real gross national expenditure and employment increase with higher levels of net immigration. However, since immigration's impact on growth in labour demand is proportionately less than its effect on growth in labour supply, the unemployment rate rises. For the period 1961-1974, it is estimated that an increase in annual net immigration from zero to 200,000 raises the average unemployment rate anywhere from 2.5 to 4 percentage points. The RDX2 model predicts the largest increase.(16)

The models used to generate the estimates contained in Table 5 do contain some serious weaknesses. For instance, all of the models treat immigrants homogeneously and therefore fail to capture differences in the human capital. Thus, the impact on the Canadian economy of an entrepreneur, for example, is the same in these models, as that of a member from the family class, say a child. Furthermore, none of the models account for the financial resources that immigrants bring to Canada. As indicated earlier, these amounts are sizeable and undoubtedly have a significant impact on consumption and investment. In view of these shortcomings, the estimates presented in Table 5 should be interpreted with caution.

Additional estimates of immigration's impact on unemployment can be inferred from a number of studies that make use of longitudinal survey data. The most recent of these examines the labour market experiences of immigrants who arrived in 1979 and covers the period

---

(16) Actual immigration intake between 1961-1974 averaged roughly 146,800 per year. Assuming an annual emigration level of 60,000, net immigration over this period averaged approximately 86,800 per year. Between 1961-1974, the annual average unemployment rate stood at 5.3%.

1980-1982.<sup>(17)</sup> Unemployment data from this survey are contained in Table 6. According to these data, immigrants in the sample experienced fewer average weeks of unemployment in 1980 than their domestic cohorts (i.e., 1-6 weeks compared to 3.7). (See footnote 17 on this page for a partial explanation.) In terms of age, the unemployment differential between immigrant and domestic labour force participants was found to be greatest among prime-age workers (i.e., those between the ages of 25-44). Throughout 1981 and 1982, the labour market experience of immigrants, vis-à-vis their domestic cohorts in the sample, worsened considerably. In 1982, average total weeks of unemployment among immigrants reached 7.6 weeks, up more than 350% over 1980 and 100% over 1981. Over the same period, average total weeks of unemployment among domestic workers in the sample also increased, albeit less dramatically.

In terms of the immigrant sample itself, independent immigrants consistently displayed the lowest average weeks of unemployment throughout the entire period. According to Table 7, independent immigrants experienced the lowest increase in average weeks of unemployment between 1980-1982, followed by immigrants from the family class, and refugees and designated classes. These results are somewhat predictable, since immigrants assessed according to employment-related selection criteria should have a more favourable labour market experience than those who are not.

In recent years, the Canadian economy has not been overly accommodating in terms of immigrants' adaptation and settlement. Yet

---

(17) This study relies primarily on Employment and Immigration's Longitudinal Labour Force Data Base and the Landed Immigrant Data Base. Unfortunately, unemployment data are based on unemployment insurance files and consequently capture only those entitled to unemployment insurance. As unemployed immigrants unable to accumulate a sufficient number of insurable weeks of employment are excluded, the survey data likely underestimate the actual pool of unemployed immigrants, especially for the first year (1980).



---

**Table 6**  
**Average Total Weeks of Unemployment by Age and Sex**  
**for 1979 Immigrants and Canadian Cohorts, 1980-1982**

Age	1980		1981		1982	
	Immigrant	Canadian	Immigrant	Canadian	Immigrant	Canadian
15-24	1.4	3.4	3.4	3.8	7.9	6.3
25-44	1.7	4.3	3.6	3.9	7.6	7.0
45-54	2.3	3.4	4.7	3.5	7.7	5.4
55+	1.3	2.3	4.3	3.2	5.6	4.3
All Ages	1.6	3.7	3.6	3.7	7.6	6.3

Source: T.J. Samuel and B. Woloski, "The Labour Market Experiences of Canadian Immigrants", Employment and Immigration Canada, presented at the Canadian Economics Association Meeting, May 29, 1984, p. 8.

---

---

**Table 7**  
**Average Total Weeks of Unemployment by Immigrant Category,**  
**1980-1982**

Immigrant Category	Average Total Weeks of Unemployment		
	1980	1981	1982
Family Class	2.1	3.5	6.2
Refugees and Designated Classes	1.4	5.2	11.3
Assisted Relatives	1.5	2.9	6.9
Independents	1.3	1.9	4.4
TOTAL	1.6	3.6	7.6

Source: T.J. Samuel and B. Woloski, "The Labour Market Experiences of Canadian Immigrants", Employment and Immigration Canada, presented at the Canadian Economics Association Meeting, May 29, 1984, p. 16.

---



evidence for the part of this period with the highest unemployment (i.e., 1981-1982) would appear to suggest minor differences between immigrant and domestic workers, at least in terms of average time spent unemployed. In fact, according to the data contained in Tables 6 and 7, economic immigrants experienced less unemployment over this period than their domestic cohorts in the sample.

## CONCLUSION

According to evidence for the post-war period, there is little doubt that immigration influences the Canadian labour market, both quantitatively and qualitatively. Quantitatively, immigration increases the size of the source population and, possibly, the proportion of the source population participating in the labour market. Qualitatively, immigration induces a number of effects, principal among which is its impact on the distribution and type of occupational skills in the labour force. At times, these influences have been strong, especially in the early 1950s. However, since the beginning of the last decade a number of regulatory changes have served to dampen immigration's impact on the labour market. The main reason for these changes undoubtedly centres on poor economic conditions over this period, especially during 1974-1975, 1979-1980 and 1981-1982, and our low capacity to absorb immigrants into the labour market in the face of rising unemployment.

Although the level of immigration and Canada's unemployment rate are believed, by many, to move in the same direction, the regulatory changes introduced over this period focused exclusively on those immigrants where the relationship, if it does exist, is the least significant. This is supported by the evidence presented in the last section of the paper which suggests that independent immigrants experienced the least amount of unemployment throughout the worst part of this period (i.e., 1981-1982).

These regulatory changes reduced significantly the number and proportion of independent immigrant landings over this period. As a result, the government introduced revised selection criteria to reverse this

trend. Although the new selection criteria are more accommodating, the total number of points required to gain admission to Canada has increased substantially (40%). Consequently, the impact of the revised selection criteria on future economic immigration flows to this country is uncertain, and in all likelihood will remain modest, at least over the short-term.



## BIBLIOGRAPHY

- Canada, Employment and Immigration, Annual Report to Parliament on Immigration Levels, 1981, Ottawa, November 1980.
- Canada, Employment and Immigration, Labour Market Developments in the 1980s, Ottawa, July 1981, Chapter 10.
- Canada, Employment and Immigration, Annual Report to Parliament on Future Immigration Levels, Ottawa, November 1984.
- Canada, Employment and Immigration, Background Paper on Future Immigration Levels, Ottawa, November 1984.
- Canada, Employment and Immigration, Annual Report to Parliament on Future Immigration Levels, Ottawa, 1985.
- Canada, Employment and Immigration, Immigration Statistics, 1983, Ottawa, 1985.
- Canada, Employment and Immigration, Report to Parliament on the Review of Future Direction for Immigration Levels, Ottawa, June 1985.
- Canada, Employment and Immigration, The Revised Selection Criteria for Independent Immigrants, Ottawa, 1985.
- Canada, Employment and Immigration, Determining the Occupational Composition of the Selected Immigrant Worker Category, Ottawa, March 1986.
- Canada, House of Commons, Hansard, Thursday, May 1, 1927.
- Canada, Manpower and Immigration, Three Years in Canada, Ottawa, 1974.
- Canada, Royal Commission on the Economic Union and Development Prospects for Canada, Report, Volume 2, Supply and Services, 1985.
- Davies, Gordon W., "Macroeconomic Effects of Immigration: Evidence from CANDIDE, TRACE and RDX2", Canadian Public Policy, III:3, 1977.
- Denton, F.T. and B.G. Spencer, "On the Prospect of a Labour Shortage", Canadian Public Policy, IV:I, 1978.
- Marr, William, Labour Market and Other Implications of Immigration Policy, Ontario Economic Council, Toronto, 1976.
- McLaughlin, Nancy, "The Labour Force Participation of Canada's Immigrants", The Labour Force, Statistics Canada, September 1985.
- Parai, Louis, The Economic Impact of Immigration, Department of Manpower and Immigration, Ottawa, 1974.

- Rao, P. Someshwar, Macroeconomic Effects of Demographic Variables: Evidence from Candide Model 2.0, Discussion Paper No. 193, Economic Council of Canada, March 1981.
- Rao, P. Someshwar and Constantine Kopsalis, "Labour Shortages and Immigration Policy", Canadian Public Policy, VIII:3, 1982.
- Samuel, T.J. "Economic Adaptation of Refugees in Canada: Experience of a Quarter Century", International Migration, Vol. XXII, No. 1, 1984.
- Samuel, T.J. "Immigration and Unemployment in Canada", Employment and Immigration Canada, Ottawa, March 1985.
- Samuel, T.J. and B. Woloski, "The Labour Market Experiences of Canadian Immigrants", Employment and Immigration Canada, presented at the Canadian Economics Association Meeting, Ottawa, May 1984.
- Urquhart, M.C. and K. Buckley, Historical Statistics of Canada, Statistics Canada, 1983.



APPENDIX A

SELECTION CRITERIA FOR INDEPENDENT IMMIGRANTS

Source: Employment and Immigration Canada,  
The Revised Selection Criteria for  
Independent Immigrants,  
1985, p. 5.



# SELECTION CRITERIA FOR INDEPENDENT IMMIGRANTS

Factor	Units of Assessment	
	Previous	Revised
<u>Education</u>	12 maximum	12 maximum: no change
<u>Specific Vocational Preparation</u>	15 maximum	15 maximum: no change
<u>Experience</u>	8 maximum	8 maximum: no change
<u>Occupation</u>	15 maximum: "0" an automatic processing bar	10 maximum: "0" an automatic processing bar
<u>Arranged Employment</u>	10: 10 unit penalty if not obtained	10: no penalty if not obtained
<u>Location</u>	5 maximum 5 unit penalty if designated as not in need	eliminated
<u>Age</u>	10 maximum: 10 units if 18 to 35 years. If over 35, one unit subtracted for each year up to 45	10 maximum: 10 units if 21 to 44 years. Two units subtracted per year if under 21 or over 44
<u>Knowledge of French and English</u>	10 maximum: Five units to a person who reads, writes, and speaks English or French fluently; 10 units if fluent in both languages	15 maximum: up to 15 units for fluency in official language(s)
<u>Personal Suitability</u>	10 maximum	10 maximum: no change
<u>Levels Control</u>	N/A	10 units maximum: set at 5 to start
<u>Relative</u>	5	eliminated
TOTAL	100	100
PASS MARK	50	70
Bonus for Assisted Relative Applicants	15-30	10 if accompanied by an undertaking of assistance





APPENDIX B

OCCUPATIONS OPEN TO PROSPECTIVE INDEPENDENT IMMIGRANTS  
FOR 1986

Source: Employment and Immigration Canada,  
Determining Occupational Composition  
of the Selected Worker Category,  
March 1986, Appendix I.





OCCUPATIONS OPEN TO PROSPECTIVE INDEPENDENT IMMIGRANTS  
FOR 1986

---

MANAGERIAL & ADMINISTRATIVE OCCUPATIONS

---

	Units of Assessment
Managers, Natural Sciences, Engineering and Mathematics	5
Managers, Social Sciences	10
Administrators, Medicine and Health	10
Financial Management Occupations	10
Personnel and Industrial Management Occupations	10
Sales and Advertising Management Occupations	10
Purchasing Management Occupations	10
Production Management Occupations	10
Transport and Communications Operations Management Occupations	10
Other Managers and Administrators	10
Financial Officers	5
Organization and Methods Analysts	10
Personnel Management Occupations	10
Industrial, Commercial Purchasing Officers	10
Occupations Related to Management and Administration	10

---

OCCUPATIONS IN NATURAL SCIENCE, ENGINEERING  
AND MATHEMATICS

---

Chemists	5
Physicists	5
Meteorologists	10
Physical Science Technologists	10
Agriculturalists and Related Scientists	5
Biologists and Related Scientists	5
Architects	5

Chemical Engineers	5
Civil Engineers	5
Electrical Engineers	5
Industrial Engineers	5
Mechanical Engineers	5
Metallurgical Engineers	5
Aerospace Engineers	5
Other Architects and Engineers	5
Draughtspersons	5
Architectural and Engineering Technologists	5
Statisticians and Actuaries	5
Systems Analysts	5

---

#### OCCUPATIONS IN SOCIAL SCIENCES

---

Economists	5
Sociologists and Social Scientists	10
Psychologists	10
Social Workers	10
Library, Museum, and Archival Science Technicians	10
Other Occupations in Social Sciences	10

---

#### OCCUPATIONS IN MEDICINE AND HEALTH

---

Veterinarians	5
Osteopaths and Chiropractors	10
Non-Supervisory Graduate Nurses	10
Physiotherapists, Occupational and Other Therapists	5
Other Nursing, Therapist Occupations	10
Dieticians and Nutritionists	10

Optometrists	10
Dispensing Opticians	10
Radiological Technicians	10
Medical Laboratory Technologists	10
Denturists and Dental Technicians/Hygienists	10
Other Occupations in Medicine and Health	10

---

#### ARTISTIC, LITERARY, PERFORMING ARTS OCCUPATIONS

---

Advertising and Illustrating Artists	10
Publication Writers and Editors	10

---

#### ACCOUNT RECORDING OCCUPATIONS

---

Executive and Specialized Secretaries	10
Production Co-ordinators	10
Claim Adjusters and Service Representatives	10

---

#### SALES OCCUPATIONS

---

Scientific and Technical Commodities Salespersons/advisors	5
Manufacturing and Pharmaceutical Commercial Salespersons	10
Group Insurance Representatives	10
Appraisers and Business Valuers	10
Securities Salespersons	10
Advertising Salespersons	10
Buyers, Wholesale and Retail Trade	10



---

**SERVICE OCCUPATIONS**


---

Fire Fighting Occupations	10
Specialized Chefs and Cooks	10
Food and Beverage Analysts	10

---

**PROCESSING OCCUPATIONS**


---

Moulding and Metal Casting Occupations	10
Metal Processing Inspectors	10
Chemical Distilling and Carbonizing Occupations	10
Chemical Processing Operators	10
Cellulose Pulp Preparing Occupations	10

---

**MACHINING OCCUPATIONS**


---

Tool and Die Making Occupations	5
Machinist and Machine Tool Occupations	5
Metal Inspecting and Testing Occupations	10
Boilermaking and Structural-Metal Workers	5
Mould and Pattern Makers	10

---

**PRODUCT FABRICATING AND ASSEMBLING OCCUPATIONS**


---

Metal Products - Inspectors	10
Electrical Repairing and Installation Occupations	10
Other Electronic Repairing and Installation	10
Electronic Equipment Inspectors	10
Electronic Equipment Repairers	10
Motor-Vehicle Mechanics and Repairers	10
Industrial Machinery Mechanics	5

Business Machine Repairers	10
Watch and Clock Repairers	10
Precision Instrument Installers and Repairers	5

---

#### ELECTRICAL POWER, LIGHTING, COMMUNICATIONS OCCUPATIONS

---

Communications Equipment Installers and Repairers	10
---	----

---

#### TRANSPORT EQUIPMENT OPERATION OCCUPATIONS

---

Air-Ground Support Occupations	10
Marine Officers	5
Marine Engineers	5

---

#### OTHER EQUIPMENT OPERATING OCCUPATIONS

---

Printing Press Occupations	10
Printing - Engraving Occupations	10
Photo-engraving Occupations	10
Electrical Power Plant Operators	10
Stationary Engine Operators	10
Water Purification - Plant Operators	10
Pump and Pipeline Equipment Operators	10
Broadcasting Equipment Operators	10
Audio-Video Equipment Operators	10













ACCO®

ACCOPRESS<sup>TMMC</sup>



YELLOW	25070	JAUNE
*BLACK	25071	NOIR*
*BLUE	25072	BLEU*
RL. BLUE	25073	RL. BLEU
*GREY	25074	GRIS*
GREEN	25075	VERT
RUST	25078	ROUILLE
EX RED	25079	ROUGE

ACCO CANADA INC.  
WILLOWDALE, ONTARIO

\* INDICATES  
75% RECYCLED  
25% POST-  
CONSUMER FIBRE



\*SIGNIFIE 75 %  
FIBRES RECYCLÉES,  
25 % DÉCHETS DE  
CONSOMMATION

BALANCE OF PRODUCTS  
25% RECYCLED

AUTRES PRODUITS:  
25 % FIBRES RECYCLÉES



